

Message Text

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FM AMEMBASSY VALLETTA

TO SECSTATE WASHDC 6124 PRIORITY

CONFIDENTIAL VALLETTA 0436

E.O. 11652: GDS

TAGS: EINV, MT

SUBJECT: WESTINGHOUSE CASE

REF: (A) VALLETTA 1897, DECEMBER 17, 1974; (B) VALLETTA 0435

1. AS DEPARTMENT AWARE, EMBASSY HAS CONTINUED TO TAKE EVERY OPPORTUNITY TO PROD SENIOR GOM OFFICIALS TOWARD AN EARLY AND AMICABLE SETTLEMENT OF GOM'S LONG-STANDING DISPUTE WITH WESTINGHOUSE. THESE EFFORTS APPEAR TO HAVE HAD SOME CUMULATIVE EFFECT, FOR GOM NOW APPEARS TO BE MORE DESIROUS OF REACHING A SETTLEMENT THAN IT HAS IN THE PAST.

2. IN LENGTHY DISCUSSION APRIL 22, GOM ATTORNEY GENERAL EDGAR MIZZI, WHO HAS BEEN OUR PRINCIPAL CONTACT ON THIS SUBJECT, INFORMED AMBASSADOR THAT HE AND FOREIGN SECRETARY MAURICE ABELA WERE LEAVING EARLY EN ROUTE TO JAMAICA COMMONWEALTH PRIME MINISTER'S MEETING (REFTEL B) TO PERMIT THEM TO SPEND FRIEDAY, APRIL 25 IN NEW YORK FOR "SERIOUS DISCUSSIONS" WITH WESTINGHOUSE OFFICIALS. MISSI, IN REVIEWING CASE AGAIN WITH AMBASSADOR, SAID GOM SHARED OUR DIESIRE FOR EARLY SOLUTION TO THE LONG-STANDING PROBLEM AND HOPED AN AMICALBE SETTLEMENT COULD BE REACHED WITHOUT RESORTING TO EXPENSIVE AND TIME-CONSUMING PROCESS OF ARBITRATION. HE WAS AWARE OF POSSIBLE JEOPARDY TO PRESENT OPIC GUARANTEES AT SOME POINT IF SOLUTION NOT FOUND. MIZZI SAID THAT GOM HAD THEREFORE UTILIZED GOOD OFFICES OF FRANK ASPHAR, A MALTESE-AMERICAN BUSINESSMAN RESIDING IN NEW YORK,

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TO ARRANGE FOR WESTINGHOUSE OFFICIALS TO FLY FROM

PITTSBURGH TO NEW YORK IN ORDER MEET WITH MIZZI AND ABELA ON APRIL 25.

3. MIZZI SAID THAT HE HAD RECEIVED THROUGH ASPHAR INDICATIONS THAT WESTINGHOUSE ALSO BELIEVED THERE WAS SOME POSSIBILITY OF SETTLEMENT. CURIOUSLY, MIZZI ADDED THAT MINTOFF HAD ASKED HIM TO REQUEST AMBASSADOR TO MAKE CERTAIN THAT WESTINGHOUSE HAD ACTUALLY RECEIVED GOM OFFER MADE THROUGH AN AMERICAN NAMED MERRIWEATHER (SEE VALLETTA 0733, APRIL 18, 1974--GOM OFFER AT THAT TIME WAS 100,000 MALTESE POUNDS OR ABOUT \$264,000). AMBASSADOR REMINDED MIZZI THAT SUBSEQUENTLY A FIGURE OF \$500,000 HAD BEEN MENTIONED DURING AMBASSADOR'S INITIAL CALL ON MINTOFF IN SEPTEMBER 1974, AND THAT HE HAD IMPRESSION THAT WESTINGHOUSE DID NOT RPT NOT CONSIDER EVEN THAT AMOUNT A FAIR OFFER. AMBASSADOR ALSO REITERATED TO MIZZI THAT WHILE MINTOFF APPEARED AT THIE TIME TO BELIEVE THAT THIS OFFER CONSTITUTED A SIGNIFICANT INCREASE OVER PREVIOUS GOM POSITION, IT WAS IN FACT SAME FIGURE MINTOFF HAD USED WITH AMBASSADOR GETZ DURING LATTER'S FAREWELL CALL IN JULY 1974. MIZZI BRUSHED THIS ASIDE BUT MADE FALT STATEMENT THAT HE COULD NOW OFFER "MORE THAN THAT" TO WESTINGHOUSE IF MEETING OF THE MINDS WERE ACHIEVED IN NEW YORK. IMPORTANT POINT, MIZZI STRESSED, WAS THAT "GOM IS PREPARED TO GO UP IF WESTINGHOUSE IS PREPARED TO COME DOWN".

4. MIZZI ADDED AT END OF CONVERSATION WITH A GRIN THAT MINTOFF HOPED THAT AMBASSADOR WOULD "PUT IN A GOOD WORD FOR GOM WITH WESTINGHOUSE" TO HELP PAVE THE WAY FOR A SUCCESSFUL SOLUTION TO THIS PROBLEM. AMBASSADOR SAID THAT WHOLE HE WOULD CERTAINLY REPORT CONVERSATION, NEITHER EMBASSY NOR USG WAS IN POSITION TO "PRESSURE" WESTINGHOUSE WHICH WAS AFTER ALL THE AGGRIEVED PARTY. AMBASSADOR CERTAINLY SHARED GOM HOPE FOR SUCCESSFUL RESOLUTION DURING NEW YORK MEETING BUT BELIEVED THIS WOULD BE POSSIBLE ONLY IN GOM OFFER WAS A FAIR ONE AND PERCEIVED TO BE SUCH BY WESTINGHOUSE.

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5. COMMENT: OTHER HINTS DROPPED OVER PAST FEW MONTHS LEAD US TO BELIEVE THAT ARBITRATION OF THIS MATTER IS MOST UNATTRACTIVE PROSPECT TO GOM, HENCE, THE DELAY IN AGREEING ON AN ARBITRATOR. INDEED, IT IS QUITE POSSIBLE IF NOT PROBABLE THAT GOM MIGHT RESORT TO OTHER LEGAL MANEUVERS IN MALTESE COURTS TO AVOID THAT COURSE. IT IS ALSO APPARENT, HOWEVER, THAT MINTOFF WOULD LIKE TO BE RID OF THIS PROBLEM ONCE AND FOR ALL AND THAT

WESTINGHOUSE CONVERSATIONS WITH MIZZI AND ABELA WILL BE GOOD OPPORTUNITY TO REACH A SOLUTION. DEPARTMENT WILL RECALL THAT IT WAS MIZZI WHO ALSO PLAYED LEADING ROLE IN SUCCESSFUL RESOLUTION OF DISPUTE BETWEEN GOM AND REDIFFUSION. OF THE TWO MEN TALKING WITH WESTINGHOUSE, WE JUDGE MIZZI TO BE THE REAL POWER AND THE MAN WITH THE NECESSARY AUTHORITY TO HAMMER OUT AN AGREEMENT WITH WESTINGHOUSE, SUBJECT OF COURSE TO MINTOFF'S FINAL APPROVAL. DEPARTMENT MAY WISH CONSIDER APSSING SUBSTANCE OF ABOVE TO APPROPRIATE WESTINGHOUSE OFFICIALS, FOR WE BELIEVE THAT FORTHCOMING NEW YORK MEETING CONSTITUTES AN OPPORTUNITY FOR SETTLEMENT OF THIS PROBLEM THAT MAY NOT COME AGAIN VERY SOON. SMITH

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